# Gartner Danmark ApS

Kalvebod Brygge 45, 3. 1560 København V Denmark

CVR no. 12 51 68 35

**Annual report 2018** 

The annual report was presented and approved at the Company's annual general meeting on

22 May 2019

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Paola Farina

chairman

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Gartner Danmark ApS for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 May 2019 Executive Board:

— Docusigned by: Elin Konusun

Elin Gaare Ronesen

Board of Directors:

-- DocuSigned by:

Paola Farina

Paola Farina Chairman —DocuSigned by

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Craig Warren Safian

DocuSigned by:

Elin Ronesen

Elin Gaare Ronesen



## Independent auditor's report

#### To the shareholder of Gartner Danmark ApS

#### Opinion

We have audited the financial statements of Gartner Danmark ApS for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



## Independent auditor's report

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the
  disclosures, and whether the financial statements represent the underlying transactions and events in
  a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 May 2019

**KPMG** 

Statsautoriseret Revisionspartnerselskab CVR no. 25 57 81 98

Michael Stenskrog State Authorised Public Accountant mne26819

## Management's review

## Company details

Gartner Danmark ApS Kalvebod Brygge 45, 3. 1560 København V Denmark

Telephone: Website: E-mail: +45 45 58 64 00 www.gartner.com

gartner.danmark@gartner.com

CVR no.: Established: Registered office: Financial year: 12 51 68 35 1 September 1988 Copenhagen

1 January - 31 December

#### **Board of Directors**

Paola Farina, Chairman Craig Warren Safian Elin Gaare Ronesen

#### **Executive Board**

Elin Gaare Ronesen

#### **Auditor**

KPMG Statsautoriseret Revisionspartnerselskab Dampfaergevej 28 DK-2100 Copenhagen Denmark

## Management's review

## Financial highlights

DKK'000	2018	2017	2016	2015	2014
Key figures					
Gross margin	74,742	71,114	55,214	55,584	38,772
Operating profit	4,150	7,355	8,131	13,411	3,220
Profit/loss from financial					
income and expenses	-287	-456	-576	-53	-241
Profit for the year	3,500	5,353	5,706	10,017	2,148
Total assets	118,507	81,025	91,709	88,853	73,015
Equity	16,538	13,038	15,767	26,061	16,044
Ratios					
Return on assets	5.2%	9.2%	20.2%	9.0%	16.6%
Equity ratio	16.8%	16.9%	12.2%	18.3%	29.3%
Return on equity	34.3%	47.1%	97.7%	26.6%	45.4%
Average number of					·
employees	48	40	35	33	29

Financial ratios are calculated in accordance with the guidelines "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

The financial ratios have been calculated as follows:

Return on assets Profit/loss from ordinary operating activities

Average assets x100

Return on equity Profit/loss for the year Average equity x 100

Equity ratio 

Closing equity

Equity and liabilities at year end x 100

## Management's review

## **Operating review**

#### **Principal activities**

Gartner Danmark ApS is part of the world's leading information technology research and advisory company. We deliver the technology-related insight necessary for our clients to make the right decisions every day.

#### Development in activities and financial position

#### Profit for the year

The income statement for 2018 shows a profit of DKK 3,500 thousand against a profit of DKK 5,353 thousand in 2017, and the balance sheet at 31 December 2018 shows equity of DKK 16,538 thousand against DKK 13,038 at 31 December 2017.

#### Events after the balance sheet date

No events have occurred after the balance sheet date that may significantly affect the Company's financial position.

#### Outlook

We expect similar level of revenue and income in 2019.

#### Intellectual capital

Gartner Danmark ApS aims to attract and retain talented employees with relevant knowledge and experience within their competencies to maintain and further develop our business and intellectual capital.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2018	2017
Gross profit		74,742	71,114
Staff costs Depreciation, amortisation and impairment Operating profit	2	-69,912 -680 4,150	-63,027 -732 7,355
Financial income Financial expenses Profit before tax		805 -404 4,551	96 -383 7,068
Tax on profit/loss for the year  Profit for the year	3 4	-1,051 3,500	-1,715 5,353

## Financial statements 1 January – 31 December

## **Balance** sheet

DKK'000	Note	31/12 2018	31/12 2017
ASSETS			2
Fixed assets			
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		1,175	1,185
Leasehold improvements		721	1,016
		1,896	2,201
Investments			X
Deposits	6	582	547
Total fixed assets		2,478	2,748
Current assets			
Receivables			
Trade receivables		49,519	39,002
Receivables from group entities		41,743	10,685
Construction contracts	7	8,574	15,340
Other receivables		152	19
Corporation tax		1,205	2,532
Prepayments	8	8,000	6,162
		109,193	73,740
Cash at bank and in hand		6,836	4,537
Total current assets		116,029	78,277
TOTAL ASSETS		118,507	81,025

## Financial statements 1 January – 31 December

## **Balance sheet**

DKK'000	Note	31/12 2018	31/12 2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital	9	675	675
Retained earnings		12,363	12,363
Proposed dividends for the financial year		3,500	0
Total equity		16,538	13,038
Provisions	10		
Provisions for deferred tax		1,378	1,044
Total provisions		1,378	1,044
Liabilities other than provisions			
Current liabilities other than provisions			
Prepayments received from customers		61,660	42,540
Trade payables		212	174
Payables to group entities		16,612	8,448
Corporation tax		0	1
Other payables		22,107	15,780
		100,591	66,943
Total liabilities other than provisions		100,591	66,943
TOTAL EQUITY AND LIABILITIES		118,507	81,025
		**	*
Contractual obligations, contingencies, etc.	11		
Related party disclosures	12		

## Financial statements 1 January – 31 December

## Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	<u>Total</u>
Equity at 1 January 2018	675	12,363	0	13,038
Ordinary dividends paid	0	0	0	0
Transferred over the profit appropriation	0	0	3,500	3,500
Equity at 31 December 2018	675	12,363	3,500	16,538

## Financial statements 1 January - 31 December

#### **Notes**

#### 1 Accounting policies

The annual report of Gartner Danmark ApS for 2018 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Gartner Inc., Stamford, USA.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

#### Revenue

Income from the sale of goods, comprising the sale of information technology and advisory related services, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Subscription contracts are accrued over the term of the contract.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

#### **Gross profit**

Pursuant to section 32 of the Danish Financial Statements Act, the items revenue, cost of sales, other external expenses and other operating income are aggregated into one item designated gross profit.

#### Staff costs

Staff costs include wages and salaries, including holiday pay and pensions, incentive programmes as well as other social security contributions, etc., made to the Company's employees. The item is net of refunds made by public authorities.

## Financial statements 1 January – 31 December

#### **Notes**

#### 1 Accounting policies (continued)

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

#### **Balance** sheet

#### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

Leasehold improvements

5 years

Fixtures and fittings, tools and equipment

3-8 years

#### Investments

Deposits are recognised at amortised cost.

#### Trade receivables

Trade receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

## Financial statements 1 January - 31 December

#### Notes

#### 1 Accounting policies (continued)

#### Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is calculated on the basis of the stage of completion at the balance sheet date and the projected income from the relevant contract. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

#### Other receivables

Other receivables are recognised at amortised cost.

#### **Prepayments**

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

#### Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

#### Notes

#### 1 Accounting policies (continued)

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Prepayments and deferred income

Deferred income comprises payments received regarding income in subsequent years.

#### 2 Staff costs

DKK'000	2018	2017
Wages and salaries	64,436	58,711
Pensions	5,293	4,126
Other social security costs	183	190
	69,912	63,027
Average number of full-time employees	48	40

#### Incentive schemes

All employees can sign up for Employee Stock Purchase Program (ESPP) granting the right to purchase Gartner shares at a 5% discount compared to the market price at the date of purchase.

Employees can purchase shares for up to 10% of their monthly salary after tax. The programme is limited

to a maximum amount that is adjusted quarterly.

Employees can purchase shares for up to 10% of their monthly salary after tax. The programme is limited

to a maximum amount that is adjusted quarterly.

#### 3 Tax on profit for the year

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DKK'000	2018	2017
Current tax for the year	717	2,024
Deferred tax for the year	334	-309
	1,051	1,715

#### Gartner Danmark ApS

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## Financial statements 1 January – 31 December

## **Notes**

4	Proposed profit appropriation  DKK'000		2018	2017
	Proposed dividends for the year	į.	3,500	
	Retained earnings		0	5,353
			3,500	5,353
		3		
5	Property, plant and equipment			
	a velicity, prima into equipment	Fixtures and fittings, tools and	Leasehold	
	DKK'000	equipment	improvement	Total
	Cost at 1 January 2018	2,615	1,415	
	Additions for the year	374	0	
	Cost at 31 December 2018	2,989	1,415	4,404
	Depreciation and impairment losses at 1 January 2018	-1,430	-399	-1,829
	Depreciation for the year	-384	-295	-679
	Depreciation and impairment losses at 31 December 2018	-1,814	-694	-2,508
	Carrying amount at 31 December 2018	1,175	721	1,896
	DKK'000		31/12 2018	31/12 2017
6	Deposits			
	Deposits at 1 January 2018		547	624
	Disposals		0	-77
	Additions		35	0
	Carrying amount at 31 December 2018		582 	547 
7	Contract work in progress			
•	Selling price of work performed		26,005	31,511
	Progress billings		-17,431	-16,171
	Trogress similar		8,574	15,340
			515.	
	recognised as follows:			
	Contract work in progress (assets)		11,765	18,889
	Contract work in progress (liabilities)		-3,191	-3,549
	*		8,574	15,340

## Financial statements 1 January – 31 December

#### Notes

#### 8 Prepayments

Prepayments comprise prepaid commission of DKK 7,904 thousand (2017: DKK 5,869 thousand) and other prepaid costs of DKK 96 thousand (2017: DKK 293 thousand).

#### 9 Contributed capital

The share capital comprises 675 shares of a nominal amount of DKK 1,000 each.

The Company's share capital has remained unchanged at DKK 675 thousand over the past five years.

#### 10 Provision for deferred tax

Deferred tax relates to property, plant and equipment, prepayments and other payables.

#### 11 Contractual obligations, contingencies, etc.

#### Other financial obligations

Rent and lease liabilities include a rent obligation totalling DKK 3,728 thousand (2017: DKK 5,272 thousand) regarding non-cancellable rent agreements with a remaining term of five years. Furthermore, the Company has lease obligations under operating leases for cars totalling DKK 1,156 thousand (2017: DKK 1,517 thousand) with a non-cancellable period of six months.

#### 12 Related parties

Gartner Danmark ApS' related parties comprise the following:

#### Control

Gartner Europe Holdings B.V, Amsterdam, Holland/the Netherlands.

#### Related party transactions

In accordance with section 98c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

#### Consolidated financial statements

The consolidated financial statements for 2018 can be obtained by contacting the ultimate parent company, Gartner Inc., Stamford, USA.